

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name Baltimore Township	County Barry
Audit Date 3/31/06	Opinion Date 6/29/06	Date Accountant Report Submitted to State: 9/19/06	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

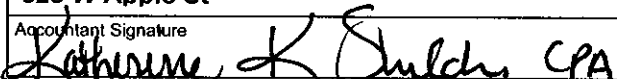
We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ Yes ☒ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ Yes ☒ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☒ Yes ☐ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☒ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☒ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☒ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☒ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☒ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☒ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	✓		
Reports on individual federal financial assistance programs (program audits).			✓
Single Audit Reports (ASLGU).			✓

Certified Public Accountant (Firm Name) Walker, Fluke & Sheldon, PLC			
Street Address 525 W Apple St	City Hastings	State MI	ZIP 49058
Accountant Signature 		Date 9/19/06	



WALKER, FLUKE & SHELDON, PLC
CERTIFIED PUBLIC ACCOUNTANTS

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June 29, 2006

To the Township Board
Baltimore Township
Barry County, Michigan

We have recently completed an audit of the financial statements of Baltimore Township, Barry County, Michigan for the year ended March 31, 2006. During the course of the audit, the following items came to our attention, which requires further comment.

Budgeting

P.A. 621 of 1978, Section 17, provides that a local unit should amend the expenditures budget when it appears that the budgeted revenues will be less than anticipated expenditures. In addition, Section 18 provides that a local unit shall not incur expenditures in excess of the amount appropriated.

During the year ended March 31, 2006, the Township over expended in several areas. The Township currently monitors the general fund budget and makes amendments periodically.

It is our recommendation that expenditures be compared in relation to amounts appropriated on a monthly basis for the General and all Special Revenue Funds. If it is apparent that there will be a budget violation, the Township should amend the budget by indicating the dollar amounts and appropriations to be affected. Consideration should be taken at year-end for any known audit adjustments that may arise.

Interest Income Record Keeping

During the course of the audit, it was noted that interest income on certificates of deposit was not being recorded when earned.

According to generally accepted accounting principles, the general and special revenue funds of governmental units use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means, collected within the current period or soon enough thereafter to be used to pay liabilities of the current period. Since the interest earned on certificates is periodically credited to the account, the interest being credited meets the measurable and available test for revenue recognition and must be recorded by the Township.

It is our recommendation that the Township record interest income from certificates of deposit when it is credited to the account. The treasurer should request quarterly print outs for each certificate of deposit from the corresponding bank if statements are not already provided. The amount of interest credited to the account since the prior inquiry should be receipted and given to the clerk for posting in the general ledger. This documentation should be kept to support the entries and filed in an organized manner that is easily accessible. In addition, the clerk should reconcile the bank balance to the adjusted general ledger balance. Any discrepancies should be investigated and corrected in a timely manner.

Library Activity

During the course of the audit, a significant amount of time was spent balancing the quickbooks general ledger activity for the Library. This additional work is outside the normal procedures required by an audit and is costly to the Township.

Although the Library records are maintained independently of the Township, they are an integral part of the Township and the Township has oversight responsibility. It is our recommendation that the Library general ledger is updated, balanced and reviewed monthly to ensure accurate reporting.

Disbursements

During the course of the audit, internal control weaknesses in the expenditure area were noted. Several disbursements were inconsistently posted to the general ledger and coded to incorrect general ledger accounts. This causes inaccurate interim financial statements, which may cause budgeting problems throughout the year.

We recommend that the clerk be given the opportunity to consult with outside professionals on a monthly basis for help with posting of items in question, if needed. This can save the Township in costly bookkeeping fees incurred during the audit.

Credit Card Disbursements

During the course of the audit, an internal control weakness in the credit card expenditure area was noted. Several disbursements were not substantiated by a valid receipt.

Disbursements made by the Township should be supported by proper documentation. Invoices or contracts should support expenditures for goods or services. A signed reimbursement form that specifies the payee, what the expense was incurred for, where the expense occurred, when the expense was incurred and why the expense was incurred should substantiate reimbursements to employees or officials. Applicable invoices or receipts should be attached.

We recommend that the Township obtain proper documentation for all disbursements made. The documentation should be filed in an organized manner that is easily assessable. In addition, the Township Board should examine all credit card invoices prior to approval for payment.

We would like to take this opportunity to thank the Baltimore Township Clerk and Treasurer for the cooperation and courtesy extended to us during the audit. If you have any questions or need assistance, do not hesitate to contact us.

Walker, Fuke & Shulder, PC

BALTIMORE TOWNSHIP FINANCIAL STATEMENTS

For the year ended March 31, 2006

TABLE OF CONTENTS

Independent Auditors' Report	1
Basic Financial Statements:	
Government-Wide Statement of Net Assets	2
Government-Wide Statement of Activities	3
Governmental Fund Balance Sheet	4
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	5
Governmental Fund Statement of Revenue, Expenditures, and Changes In Fund Balance	6
Reconciliation of the Statement of Revenues, Expenditures, and Changes In Fund Balance of Governmental Funds to Statement of Activities	7
Fiduciary Funds Statement of Net Assets	8
Fiduciary Funds Statement of Change in Net Assets	9
Notes to Financial Statements	10 - 18
Required Supplementary Information:	
Budgetary Comparison Schedule - General Fund	19
Budgetary Comparison Schedule - Library Fund	20
Additional Supplementary Information:	
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	21 - 25



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INDEPENDENT AUDITORS' REPORT

To the Township Board
Baltimore Township
Barry County, Michigan

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Baltimore Township, Michigan, as of and for the year ended March 31, 2006, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Baltimore Township, Michigan's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Baltimore Township, Michigan, as of March 31, 2006, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in the Notes, the Township adopted Governmental Accounting Standards Board Statement Number 34 during the current year. As a result, these financial statements present entirely new financial information. Governmental activities report information by individually significant fund, as well as in total on the full accrual basis of accounting.

The required supplementary information listed in the table of contents are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The accompanying financial statements do not present a management's discussion and analysis, which would be an analysis of the financial performance for the year. The Governmental Accounting Standards Board has determined that this analysis is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Baltimore Township's basic financial statements. The accompanying additional supplementary information listed in the table of contents is presented for purposes of additional analysis and are not a required part of the basic financial statements of Baltimore Township, Michigan. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

Hastings, Michigan
June 29, 2006

Walker, Fluke & Sheldon, PLC

BALTIMORE TOWNSHIP
GOVERNMENT-WIDE STATEMENT OF NET ASSETS
March 31, 2006

	<u>Primary Government</u>	
	Governmental	
ASSETS	Activities	Total
Cash and Cash Equivalents	\$ 162,773	\$ 162,773
Investments	114,218	114,218
Receivables (Net)		
Taxes	5,778	5,778
Due From State	20,981	20,981
Due From Other Funds	3,109	3,109
Restricted Assets	30,803	30,803
Investment in Joint Venture	140,552	140,552
Capital Assets (Net of Accumulated Depreciation)	<u>245,797</u>	<u>245,797</u>
Total Assets	<u>724,011</u>	<u>724,011</u>
LIABILITIES		
Accounts Payable	11,370	11,370
Other Accrued Liabilities	2,855	2,855
Due to Other Funds	<u>1,874</u>	<u>1,874</u>
Total Liabilities	<u>16,099</u>	<u>16,099</u>
NET ASSETS		
Net Assets		
Invested in Capital Assets, Net of Related Debt	245,797	245,797
Restricted for Library	31,892	31,892
Unrestricted	<u>430,223</u>	<u>430,223</u>
Total Net Assets	<u>\$ 707,912</u>	<u>\$ 707,912</u>

The Notes to Financial Statements are an integral part of this statement.

BALTIMORE TOWNSHIP
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
March 31, 2006

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program</u>	<u>Net (Expense) Revenue</u>	
		<u>Revenues</u>	<u>and Changes in Net Assets</u>	
		<u>Charges for</u>	<u>Governmental</u>	<u>Total</u>
		<u>Services</u>	<u>Activities</u>	
Primary Government				
Governmental Activities				
Legislative	\$ 18,992	\$ -	\$ (18,992)	\$ (18,992)
General Government	84,304	11,717	(72,587)	(72,587)
Public Safety	52,265	-	(52,265)	(52,265)
Public Works	44,877	-	(44,877)	(44,877)
Health and Welfare	2,000	-	(2,000)	(2,000)
Recreation and Cultural	39,458	-	(39,458)	(39,458)
Other	12,046	-	(12,046)	(12,046)
Total Governmental Activities	<u>253,942</u>	<u>11,717</u>	<u>(242,225)</u>	<u>(242,225)</u>
Total Primary Government	<u>\$ 253,942</u>	<u>\$ 11,717</u>	<u>(242,225)</u>	<u>(242,225)</u>
General Revenues				
Taxes and Penalties			63,838	63,838
State Grants			130,019	130,019
Contributions from Local Units			24,748	24,748
Fines and Forfeits			10,474	10,474
Interest and Rentals			10,945	10,945
Other Revenue			<u>5,631</u>	<u>5,631</u>
Total General Revenue			<u>245,655</u>	<u>245,655</u>
Gain on Equity Interest in Joint Venture			1,226	1,226
Loss from Disposal of Capital Assets			<u>(375)</u>	<u>(375)</u>
Change in Net Assets			4,281	4,281
Net Assets-Beginning			<u>703,631</u>	<u>703,631</u>
Net Assets-Ending			<u>\$ 707,912</u>	<u>\$ 707,912</u>

The Notes to Financial Statements are an integral part of this statement.

BALTIMORE TOWNSHIP
GOVERNMENTAL FUND BALANCE SHEET
March 31, 2006

	General Fund	Library Fund	Total Governmental Funds
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 162,773	\$ 30,803	\$ 193,576
Investments	114,218	-	114,218
Receivables			
Taxes	4,570	1,208	5,778
Due From State	20,981	-	20,981
Due From Other Funds	<u>-</u>	<u>3,109</u>	<u>3,109</u>
 Total Assets	 <u>\$ 302,542</u>	 <u>\$ 35,120</u>	 <u>\$ 337,662</u>
 <u>LIABILITIES AND FUND BALANCE</u>			
Liabilities			
Accounts Payable	\$ 8,973	\$ 2,397	\$ 11,370
Other Accrued Liabilities	2,024	831	2,855
Due to Other Funds	<u>1,874</u>	<u>-</u>	<u>1,874</u>
 Total Liabilities	 <u>12,871</u>	 <u>3,228</u>	 <u>16,099</u>
 Fund Balances			
Unreserved-Undesignated	241,318	31,892	273,210
Reserved	-	-	-
Designated	<u>48,353</u>	<u>-</u>	<u>48,353</u>
 Total Fund Balances	 <u>289,671</u>	 <u>31,892</u>	 <u>321,563</u>
 Total Liabilities and Fund Balance	 <u>\$ 302,542</u>	 <u>\$ 35,120</u>	 <u>\$ 337,662</u>

The Notes to Financial Statements are an integral part of this statement.

**BALTIMORE TOWNSHIP
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
March 31, 2006**

Governmental Fund Balance - March 31, 2005		\$ 321,563
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds		
Governmental capital assets	\$ 313,033	
Less: Accumulated depreciation	<u>(67,236)</u>	245,797
Investment in Joint Venture in governmental activities is not a financial resource and therefore is not reported in the governmental funds		<u>140,552</u>
Net Assets of Governmental Activities		<u>\$ 707,912</u>

The Notes to Financial Statements are an integral part of this statement.

BALTIMORE TOWNSHIP
GOVERNMENTAL FUND STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For the Year Ended March 31, 2006

	<u>General Fund</u>	<u>Library Fund</u>	<u>Total Governmental Funds</u>
Revenues			
Taxes and Penalties	\$ 50,832	\$ 13,006	\$ 63,838
State Grants	129,355	664	130,019
Charges for Services	11,717	-	11,717
Contributions for Local Units	-	24,748	24,748
Fines and Forfeits	-	10,474	10,474
Interest and Rentals	10,742	203	10,945
Other Revenue	<u>5,464</u>	<u>167</u>	<u>5,631</u>
Total Revenues	<u>208,110</u>	<u>49,262</u>	<u>257,372</u>
Expenditures			
Legislative	18,992	-	18,992
General Government	77,259	-	77,259
Public Safety	52,265	-	52,265
Public Works	44,877	-	44,877
Health and Welfare	2,000	-	2,000
Recreation and Cultural	-	37,920	37,920
Other	12,046	-	12,046
Capital Outlay	<u>2,636</u>	<u>11,222</u>	<u>13,858</u>
Total Expenditures	<u>210,075</u>	<u>49,142</u>	<u>259,217</u>
Excess of Revenues Over (Under)			
Expenditures	<u>(1,965)</u>	<u>120</u>	<u>(1,845)</u>
Fund Balance-April 1, 2005	<u>291,636</u>	<u>31,772</u>	<u>323,408</u>
Fund Balance-March 31, 2006	<u>\$ 289,671</u>	<u>\$ 31,892</u>	<u>\$ 321,563</u>

The Notes to Financial Statements are an integral part of this statement.

BALTIMORE TOWNSHIP
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES
IN FUND BALANCE OF GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES
March 31, 2006

Net Change in Fund Balances - Total Governmental Funds **\$ (1,845)**

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is depreciated over their estimated useful lives

Expenditures for capital assets	\$ 13,858	
Less: Current year depreciation	8,583	
Less: Loss from Disposal of Capital Assets	<u>375</u>	4,900

Investment in Joint Venture in governmental activities is not a financial resource and therefore is not reported in the governmental funds	<u>1,226</u>
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Change in Net Assets of Governmental Funds \$ 4,281

BALTIMORE TOWNSHIP
FIDUCIARY FUNDS STATEMENT OF NET ASSETS
March 31, 2006

ASSETS	Pension Trust	Current Tax Collection
Cash	\$ -	\$ 1,235
Investments-at Fair Value:		
Other Investments	<u>20,232</u>	<u>-</u>
Total Assets	<u>20,232</u>	<u>1,235</u>
LIABILITIES		
Due to Other Funds	<u>-</u>	<u>1,235</u>
Total Liabilities	<u>-</u>	<u>1,235</u>
NET ASSETS		
Held in Trust for Pension Benefits	<u>\$ 20,232</u>	<u>\$ -</u>

The Notes to Financial Statements are an integral part of this statement.

BALTIMORE TOWNSHIP
FIDUCIARY FUNDS STATEMENT OF CHANGES IN NET ASSETS
For the Year Ended March 31, 2006

	<u>Pension Trust</u>
Additions	
Contributions	
Employer	\$ 2,817
 Total Contributions	 2,817
 Investment Income	
Interest and Dividends	<u>907</u>
 Total Additions	 <u>3,724</u>
 Deductions	
Employee Withdrawals and Transfers	-
Charges	<u>180</u>
 Total Deductions	 <u>180</u>
 Change in Net Assets	 3,544
 Net Assets-Beginning	 <u>16,688</u>
 Net Assets-Ending	 <u>\$ 20,232</u>

The Notes to Financial Statements are an integral part of this statement.

BALTIMORE TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
For the Year Ended March 31, 2006

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Baltimore Township conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the significant accounting policies used by Baltimore Township:

In June 1999, the GASB issued Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments. Certain significant changes in the Statement include the following:

- Financial statements prepared using full accrual accounting for all of the Township's activities

This and other changes are reflected in the accompanying financial statements (including notes to the financial statements).

REPORTING ENTITY

Baltimore Township is situated in the central portion of Barry County. The Township operates under an elected board of five members and provides services to residents in many areas including fire protection, library and general government services. Education services are provided to citizens through several local school districts, which are separate governmental entities.

JOINT VENTURES

Fire Department

The Township, together with the Townships of Irving, Rutland, Carlton and Hastings Charter has established a joint fire department under the provisions of Public Act 33 of 1951 and Public Act 7 of 1967. The department is known as the BIRCH FIRE DEPARTMENT. The organizational agreement provides that financing of the Department's activities will be as follows:

"Each Township shall pay an amount of money equal to an agreed millage rate which shall be the same for all Townships, determined as if said millage rate was spread upon the tax roll in each Township or area of each Township served by the department. The amount of the millage shall be determined annually by the Board of Directors of BIRCH and shall be approved by each Township Board as part of the budget of BIRCH each year.

Once the millage has been determined and approved as provided above, the amount of money representing the millage in each Township can be raised by any means available to each township and does not have to be spread upon the tax roll as a 'special assessment'."

The Township Board of each member Township appoints one elected official to the BIRCH Board of Directors. The BIRCH Board of Directors appoints one member at large from each member Township. The member at large must be a resident and property owner in the district served.

The equity ownership of each Township which is a part of BIRCH in each major piece of fire apparatus or equipment or any personal property having a value of more than \$1,000 is determined using the percentage contribution of each Township as compared with the total contribution of all Townships during the year in which said asset was purchased. Equipment, apparatus and personal property, which is owned by BIRCH but was bought for a sum less than \$1,000, shall give each Township an equity interest in said property equal to the then current percentage of contribution of each Township as compared with the total contributions of all Townships for the current year.

**BALTIMORE TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
For the Year Ended March 31, 2006**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fire Department (Continued)

Baltimore Township's share of the cost of fire protection remitted to BIRCH for the year ended March 31, 2006 was \$52,265.

The following information summarizes the activity of the joint venture through June 30, 2005 the most recent complete financial statements available.

Total Assets	\$ 515,438	Total Revenues	\$ 342,066
Total Liabilities	\$ -	Total Expenditures	\$ 363,840
Total Unrestricted Net Assets	\$ 159,371	Increase (Decrease) in Net Assets	\$ (21,774)
Total Capital Assets	\$ 356,067		
Total Joint Venture Outstanding Debt	\$ -		

Complete financial statements for BIRCH Fire Department can be obtained as from:

Shirley Drake, Treasurer
9938 S. M-37 Hwy
Dowling, MI 49050

Birch Township's total equity share in BIRCH Rural Fire Department is \$140,552, of which \$108,678 represents their equity interest in the fixed assets.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, normally supported by property taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: (1) charges to customers who purchase, use or directly benefit from goods, services, or privileges provided by a given function; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenue.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

**BALTIMORE TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
For the Year Ended March 31, 2006**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION
(Continued)

State grants, licenses and permits, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual; therefore, they have been recognized as revenue in the current fiscal period. All other revenues are considered to be measurable only when the Township receives cash.

Taxes Receivable - The Township property tax is levied on each December 1st based on the taxable valuation of property located in the Township as of the preceding December 31st. These taxes are due on February 28th. After that date, they are added to the county delinquent tax rolls.

Although the Township ad valorem tax is levied and collectible on February 1st, it is the Township's policy to recognize revenue from the current tax levy in the current year when the proceeds of this levy are budgeted and made "available" for the financing of operations. "Available" means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period (60 days).

The 2005 State taxable valuation of the Township totaled \$40,324,416 on which ad valorem taxes levied consisted of .9125 mills for Township operating purposes and .3000 mills for the Library, raising \$36,791 for operating purposes and \$12,094 for the library.

The Township reports the following major governmental funds:

- The General Fund is the Township's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Revenues are primarily derived from property taxes and state shared revenue.
- The Library Fund accounts for the Township's support of Dowling Public Library. Revenues are primarily derived from property taxes.

Additionally, the government reports the following fiduciary fund types:

- The Pension Trust Fund accounts for the activities of the retirement system, which accumulates resources for pension benefit payments to qualified employees.

ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY

Bank Deposits and Investments - Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value.

Receivables and Payables - In general, outstanding balances between funds are reported as "due to/from other funds." Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "advances to/from other funds."

All trade and property tax receivables are shown as net of allowance for uncollectible amounts. Property taxes are levied on each December 1st based on the taxable valuation of property located in the Township as of the preceding December 31st. These taxes are due on February 28th. After that date, they are added to the county's delinquent tax rolls.

The delinquent real property taxes of the Township are purchased by Barry County. For 2005, the Township received its settlement of delinquent property taxes from Barry County within the sixty-day period and therefore recognized the revenue as current year property tax revenue. In addition, the 2004 delinquent property taxes were received June 13, 2005 and are included in the current year revenue as property taxes.

Restricted Assets - The Township has restricted assets for library services. By restricting a portion of the net assets for a specific purpose, the Township has limited the use of the funds for that specific purpose only. The Township Board cannot change the amounts restricted and cannot spend the restricted funds for any other purpose than roads and special assessments.

**BALTIMORE TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
For the Year Ended March 31, 2006**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION
(Continued)

Capital Assets - Capital assets, which include property, plant, and equipment, are reported in the applicable governmental activities column in the government-wide financial statements. The government defines capital assets as assets with an initial individual cost of more than \$500 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Property, plant and equipment is depreciated using the straight-line method over the following useful lives:

<u>General Assets</u>	
Buildings	40 years
Land Improvements	20 years
Furniture	10 years
Equipment	7 years
Data Processing Equipment	5 years

Long-Term Obligations - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are reported as debt service expenditures. The Township currently has no long-term obligations.

Fund Equity - In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Designated Fund Balances - The Township has designated fund balances for cemetery improvements, contingency funds and dust control. By designating a portion of fund balance for a specific purpose, the Township Board has established a policy that the amounts designated are to be used for a specific purpose. The Township Board can change the amounts so designated if they desire.

STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information - Budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. This basis is consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets were adopted for all required governmental fund types, except for the fire fund, which is a new fund in the current year. The Township Boards prepares the annual budgets prior to March 31. A Public Hearing is conducted to obtain taxpayers' comments. The budget documents present information by fund, function, department and line items. The legal level of budgetary control adopted by the governing body for the general fund is the department level and for the library fund it is the line item level.

BALTIMORE TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
For the Year Ended March 31, 2006

EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN BUDGETED FUNDS

P.A. 621 of 1978, section 18(1), as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated.

During the year ended March 31, 2006, the Township incurred expenditures in certain budgeted funds, which were in excess of the amounts appropriated, as follows:

FUND	BUDGET APPROPRIATION	ACTUAL EXPENDITURE	BUDGET VARIANCE
General			
Legislative	\$ 17,100	\$ 18,992	\$ 1,892
General Government:			
Elections	\$ 4,220	\$ 4,244	\$ 24
Assessor	\$ 16,400	\$ 16,554	\$ 154
Cemetery	\$ 11,150	\$ 11,927	\$ 777
Special Reveune			
Library:			
Salaries	\$ 12,500	\$ 12,970	\$ 470
Utilities	\$ 2,500	\$ 2,706	\$ 206
Operating Expenses	\$ 1,900	\$ 6,159	\$ 4,259
Miscellaneous	\$ -	\$ 1,742	\$ 1,742
Supplies	\$ 1,403	\$ 2,123	\$ 720
Co-Op Costs	\$ 2,697	\$ 8,445	\$ 5,748
Capital Costs	\$ 2,000	\$ 11,222	\$ 9,222

ENCUMBRANCE ACCOUNTING

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by Baltimore Township

DEPOSITS AND INVESTMENTS

Michigan Compiled Laws Section 129.91, authorizes the Township to make deposits and invest in the accounts of federally insured banks, credit unions and savings and loan associations; bonds, securities and other direct obligations of the United States, or any agency or instrumentality of the United States; United States government or Federal agency obligation repurchase agreements; bankers' acceptance of United States banks; commercial paper rated by two standard rating agencies within the two highest classifications, which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan. Financial institutions eligible for deposit of public funds must maintain an office in Michigan.

The Township has designated three banks, one savings bank and an investment company for the deposit of Baltimore Township funds.

The Township retirement system's investments are held in trust by the investment fiduciary, John Hancock Life Insurance Company. Michigan Compiled Laws, Section 38.1132, authorizes the Township retirement system to invest in a wide variety of investments including stocks, bonds, certificates of deposit, real estate, annuity contracts, obligations of a specified nature, and real or personal property. Specific limitations apply to the various investment types depending on the size of the system.

BALTIMORE TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
For the Year Ended March 31, 2006

DEPOSITS AND INVESTMENTS (Continued)

The Township's deposits and investments are in accordance with statutory authority.

At year-end, the Township's deposits and investments were reported in the basic financial statements in the following categories:

	<u>GOVERNMENTAL ACTIVITIES</u>	<u>FIDUCIARY FUNDS</u>	<u>TOTAL PRIMARY GOVERNMENT</u>
Cash and Cash Equivalents	\$ 162,773	\$ 1,235	\$ 164,008
Investments	114,218	20,232	134,450
Restricted Assets	<u>30,803</u>	<u>-</u>	<u>30,803</u>
Total	<u>\$ 307,794</u>	<u>\$ 21,467</u>	<u>\$ 329,261</u>

The breakdown between deposits and investments is:

	<u>TOTAL PRIMARY GOVERNMENT</u>
Cash and Cash Equivalents (Checking and Savings Accounts, Certificates of Deposit)	\$ 308,929
Investment in Securities (Mutual Funds and Similar Vehicles)	20,232
Petty Cash and Cash on Hand	<u>100</u>
Total	<u>\$ 329,261</u>

At March 31, 2006, the Township had deposits with a carrying amount of \$308,929 and a bank balance of \$309,095. Of the bank balance, \$131,075 is covered by federal depository insurance, \$178,020 is uninsured and \$0 is collateralized.

BALTIMORE TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
For the Year Ended March 31, 2006

CAPITAL ASSETS

Capital asset activity of the primary government for the current year was as follows:

	<u>BEGINNING BALANCE</u>	<u>INCREASES</u>	<u>DECREASES</u>	<u>ADJUST- MENTS</u>	<u>ENDING BALANCE</u>
Governmental Activities					
Capital Assets not Being Depreciated					
Land	\$ 22,017	\$ -	\$ -	\$ 3,500	\$ 25,517
Subtotal	<u>22,017</u>	<u>-</u>	<u>-</u>	<u>3,500</u>	<u>25,517</u>
Capital Assets Being Depreciated					
Buildings	205,420	7,428	-	29,976	242,824
Land Improvements	-	3,345	-	14,110	17,455
Furniture	3,652	-	-	(500)	3,152
Equipment	29,500	1,914	-	(20,018)	11,396
Data Processing Equipment	-	1,171	4,550	16,068	12,689
Subtotal	<u>238,572</u>	<u>13,858</u>	<u>4,550</u>	<u>39,636</u>	<u>287,516</u>
Less Accumulated Depreciation for					
Buildings	40,810	5,097	-	-	45,907
Land Improvements	2,998	623	-	-	3,621
Furniture	1,325	284	-	-	1,609
Equipment	7,647	549	-	-	8,196
Data Processing Equipment	<u>10,048</u>	<u>2,030</u>	<u>4,175</u>	<u>-</u>	<u>7,903</u>
Subtotal	<u>62,828</u>	<u>8,583</u>	<u>4,175</u>	<u>-</u>	<u>67,236</u>
Net Capital Assets Being Depreciated	<u>175,744</u>	<u>5,275</u>	<u>375</u>	<u>39,636</u>	<u>220,280</u>
Governmental Activities Total Capital Assets-Net of Depreciation	<u>\$ 197,761</u>	<u>\$ 5,275</u>	<u>\$ 375</u>	<u>\$ 43,136</u>	<u>\$ 245,797</u>

The adjustments to capital assets reflect corrections made during the current year to adjust the carrying balances to the Township's actual physical asset listing and eliminate all assets under the Township's cost threshold of \$500 for buildings, furniture, equipment and data processing equipment.

Depreciation expense was charged to programs of the Township as follows:

Governmental Activities	
General Government	\$ 7,045
Recreation and Culture	<u>1,538</u>
Total Government Activities	<u>\$ 8,583</u>

BALTIMORE TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
For the Year Ended March 31, 2006

INTERFUND RECEIVABLES AND PAYABLES

The composition of interfund balances is as follows:

<u>FUND</u>	<u>RECEIVABLES</u>	<u>FUND</u>	<u>PAYABLES</u>
Library	\$ 3,109	Tax	\$ 1,235
		General	1,874
	\$ 3,109		\$ 3,109

DEFINED CONTRIBUTION PLAN

The Township contributes to a defined contribution pension plan for its eligible employees. The participants' accounts are held by Municipal Retirement Systems, Inc in individual "guaranteed accounts".

A defined contribution pension plan provides pension benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive. Under a defined contribution pension plan, the benefits a participant will receive depend solely on the amount contributed to the participant's account, the returns earned on investments of those contributions, and forfeiture of other participants' benefits that may be allocated to such participant's account. The pension plan is available to all members of the township board. Contributions by the Township vest immediately. The Township contributes 100% of the premium or charges arising under the pension contract.

During the year, the Township's required and actual contributions amounted to \$2,843, which was 10.09% of its current-year covered payroll of \$28,172. The total fiscal year payroll was \$51,791. No pension provision changes occurred during the year that affected the required contributions to be made by the Township or its employees.

RISK MANAGEMENT

The Township is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries. The Township manages its risk exposure through a combination of risk management pools and commercial insurance. The Township has insurance provided by an independent insurance company for worker's compensation. Following is a summary of the risk management pool participation.

The Township participates in the Michigan Township Participating Plan (Par Plan) for property, general liability, and employee bond coverage. The Par Plan was established in April 1985, pursuant to laws of the State of Michigan, which authorizes local units of government to jointly exercise any power, privilege or authority which each might exercise separately. The purpose of the plan is to jointly exercise powers common to each participating member to establish and administer a risk management program; to prevent or lessen the incidence and severity of casualty losses occurring in the operation of its members; and to defend and protect any member of the authority against liability or loss.

The Par Plan, while it operates under the Michigan Legislation of Public Act 138, does not operate as a risk pool due to a total transfer of risk to reinsurance companies backing the Par Plan. Due to this reinsurance purchase, there is no pooling of risk between members. The plan has protected itself in the event a reinsurance becomes uncollectible by purchasing a reinsurance treaty for uncollectible reinsurance.

The Par Plan chose to adopt the forms and endorsements of conventional insurance protection and to reinsure these coverages 100%, rather than utilize a risk pool of member funds to pay individual and collective losses up to a given retention, and then have reinsurance above that retention amount.

**BALTIMORE TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
For the Year Ended March 31, 2006**

RISK MANAGEMENT (Continued)

The individual members are responsible for their self-retention amounts (deductibles), which vary from member to member.

At March 31, 2006, there were no claims, which exceeded insurance coverage. The Township had no significant reduction in insurance coverage from previous years.

BALTIMORE TOWNSHIP
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
For the Year Ended March 31, 2006

	<u>ORIGINAL BUDGET</u>	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH AMENDED BUDGET</u>
Beginning of Year Fund Balance	\$ 291,636	\$ 291,636	\$ 291,636	\$ -
Resources (Inflows)				
Taxes and Penalties	53,700	53,700	50,832	(2,868)
State Grants	124,000	124,000	129,355	5,355
Charges for Services	11,000	11,000	11,717	717
Interest and Rentals	5,750	5,750	10,742	4,992
Other Revenue	<u>4,600</u>	<u>4,600</u>	<u>5,464</u>	<u>864</u>
Total Resources	<u>199,050</u>	<u>199,050</u>	<u>208,110</u>	<u>9,060</u>
Charges to Appropriations (Outflows)				
Legislative	17,100	17,100	18,992	(1,892)
General Government				
Supervisor	8,000	8,000	7,738	262
Elections	3,000	4,220	4,244	(24)
Assessor	12,829	15,229	15,383	(154)
Attorney	5,000	2,000	1,319	681
Clerk	12,000	15,200	14,621	579
Board of Review	2,000	2,000	1,625	375
Treasurer	12,000	15,200	14,446	754
Township Hall	5,000	8,000	7,421	579
Cemetery	11,035	9,685	10,462	(777)
Public Safety				
Fire Department	48,000	52,300	52,265	35
Public Works				
Street Lighting	1,000	1,000	689	311
Highways	35,000	33,790	33,790	-
Dust Control	10,450	10,450	10,398	52
Health and Welfare	2,000	2,000	2,000	-
Other				
Insurance, Bonds and Fringes	12,000	12,870	12,046	824
Capital Outlay	<u>2,636</u>	<u>2,636</u>	<u>2,636</u>	<u>-</u>
Total Charges to Appropriations	<u>199,050</u>	<u>211,680</u>	<u>210,075</u>	<u>1,605</u>
Excess of Resources Over (Under) Appropriations	<u>-</u>	<u>(12,630)</u>	<u>(1,965)</u>	<u>10,665</u>
Budgetary Fund Balance - March 31, 2006	<u>\$ 291,636</u>	<u>\$ 279,006</u>	<u>\$ 289,671</u>	<u>\$ 10,665</u>

BALTIMORE TOWNSHIP
BUDGETARY COMPARISON SCHEDULE - LIBRARY FUND
For the Year Ended March 31, 2006

	<u>ORIGINAL BUDGET</u>	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH AMENDED BUDGET</u>
Beginning of Year Fund Balance	\$ 31,772	\$ 31,772	\$ 31,772	\$ -
Resources (Inflows)				
Taxes and Penalties	10,000	10,000	13,006	3,006
State Grants	1,000	1,000	664	(336)
Contributions from Local Units	10,000	10,000	24,748	14,748
Fines and Forfeits	7,450	7,450	10,474	3,024
Interest and Rentals	400	400	203	(197)
Other Revenue	<u>150</u>	<u>150</u>	<u>167</u>	<u>17</u>
Total Resources	<u>29,000</u>	<u>29,000</u>	<u>49,262</u>	<u>20,262</u>
Charges to Appropriations (Outflows)				
Recreational and Cultural				
Salaries and Fringes	12,500	12,500	12,970	(470)
Publications and Books	4,000	4,000	3,424	576
Utilities	2,500	2,500	2,706	(206)
Insurance	2,000	2,000	351	1,649
Operating Expense	1,500	1,900	6,159	(4,259)
Miscellaneous	-	-	1,742	(1,742)
Supplies	2,000	1,403	2,123	(720)
Co-Op Costs	2,500	2,697	8,445	(5,748)
Capital Outlay	<u>2,000</u>	<u>2,000</u>	<u>11,222</u>	<u>(9,222)</u>
Total Charges to Appropriations	<u>29,000</u>	<u>29,000</u>	<u>49,142</u>	<u>(20,142)</u>
Excess of Resources Over (Under) Appropriations	<u>-</u>	<u>-</u>	<u>120</u>	<u>120</u>
Budgetary Fund Balance - March 31, 2006	<u>\$ 31,772</u>	<u>\$ 31,772</u>	<u>\$ 31,892</u>	<u>\$ 120</u>

BALTIMORE TOWNSHIP
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended March 31, 2006

<u>REVENUES</u>	<u>ORIGINAL BUDGET</u>	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH AMENDED BUDGET</u>
Taxes and Penalties:				
Current Property Taxes			\$ 36,791	
Delinquent Property Taxes			2,991	
Collection Fees			10,462	
Mobile Home Tax			588	
Total Taxes and Penalties	\$ 53,700	\$ 53,700	<u>50,832</u>	\$ (2,868)
State Grants:				
State Revenue Sharing:				
Sales Tax			126,828	
Other			<u>2,527</u>	
Total State Grants	124,000	124,000	<u>129,355</u>	5,355
Charges for Services:				
Dust Control			10,692	
Cemetery Lots Sales			<u>1,025</u>	
Total Charges for Services	11,000	11,000	<u>11,717</u>	717
Interest and Rentals:				
Interest			9,592	
Rentals			<u>1,150</u>	
Total Interest and Rentals	5,750	5,750	<u>10,742</u>	4,992
Other Revenue:				
Reimbursements			2,346	
Miscellaneous			<u>3,118</u>	
Total Other Revenue	<u>4,600</u>	<u>4,600</u>	<u>5,464</u>	<u>864</u>
Total Revenues	<u>199,050</u>	<u>199,050</u>	<u>208,110</u>	<u>9,060</u>

BALTIMORE TOWNSHIP
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND (Continued)
For the Year Ended March 31, 2006

<u>EXPENDITURES</u>	<u>ORIGINAL BUDGET</u>	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH AMENDED BUDGET</u>
Legislative:				
Township Board:				
Salaries			2,476	
Supplies			2,155	
Professional Fees			3,353	
Transportation			14	
Printing and Publishing			163	
Dues and Memberships			958	
Miscellaneous			<u>9,873</u>	
Total Legislative	<u>17,100</u>	<u>17,100</u>	<u>18,992</u>	<u>(1,892)</u>
General Government:				
Supervisor:				
Salary			6,969	
Other Wages			258	
Transportation			93	
Dues and Memberships			<u>418</u>	
Total Supervisor	8,000	8,000	<u>7,738</u>	262
Elections:				
Wages			1,480	
Supplies			1,890	
Printing and Publishing			259	
Miscellaneous			<u>615</u>	
Total Elections	3,000	4,220	<u>4,244</u>	(24)
Assessor:				
Wages			14,277	
Supplies			791	
Miscellaneous			315	
Capital Outlay			<u>1,171</u>	
Total Assessor	14,000	16,400	<u>16,554</u>	(154)
Attorney:				
Contracted Services			<u>1,319</u>	
Total Attorney	5,000	2,000	<u>1,319</u>	681

BALTIMORE TOWNSHIP
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND (Continued)
For the Year Ended March 31, 2006

EXPENDITURES (Continued)	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL	VARIANCE WITH AMENDED BUDGET
General Government (Continued)				
Clerk:				
Salary			10,536	
Other Wages			1,589	
Supplies			642	
Transportation			944	
Dues and Memberships			10	
Miscellaneous			900	
Total Clerk	12,000	15,200	14,621	579
Board of Review:				
Per Diem and Fees			1,498	
Printing and Publishing			76	
Miscellaneous			51	
Total Board of Review	2,000	2,000	1,625	375
Treasurer:				
Salary			10,668	
Other Wages			1,493	
Education			199	
Supplies			1,225	
Transportation			383	
Dues and Memberships			20	
Miscellaneous			458	
Total Treasurer	12,000	15,200	14,446	754
Township Hall:				
Salaries			1,238	
Supplies			731	
Contracted Services			300	
Telephone			779	
Utilities			3,139	
Repairs and Maintenance			80	
Miscellaneous			1,154	
Total Township Hall	5,000	8,000	7,421	579

BALTIMORE TOWNSHIP
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND (Continued)
For the Year Ended March 31, 2006

<u>EXPENDITURES (Continued)</u>	<u>ORIGINAL BUDGET</u>	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH AMENDED BUDGET</u>
General Government (Continued):				
Cemetery:				
Supplies			233	
Contracted Services			6,263	
Utilities			223	
Repairs and Maintenance			1,545	
Miscellaneous			2,198	
Capital Outlay			1,465	
Total Cemetery	<u>12,500</u>	<u>11,150</u>	<u>11,927</u>	<u>(777)</u>
Total General Government	<u>73,500</u>	<u>82,170</u>	<u>79,895</u>	<u>2,275</u>
Public Safety:				
Fire Department:				
Contracted Services			52,265	
Total Fire Department	<u>48,000</u>	<u>52,300</u>	<u>52,265</u>	<u>35</u>
Total Public Safety	<u>48,000</u>	<u>52,300</u>	<u>52,265</u>	<u>35</u>
Public Works:				
Street Lighting:				
Utilities			689	
Total Street Lighting	<u>1,000</u>	<u>1,000</u>	<u>689</u>	<u>311</u>
Highways:				
Contracted Services			33,790	
Total Highways	<u>35,000</u>	<u>33,790</u>	<u>33,790</u>	<u>-</u>
Dust Control:				
Salaries			496	
Contracted Services			9,208	
Transportation			87	
Printing and Publishing			113	
Miscellaneous			494	
Total Dust Control	<u>10,450</u>	<u>10,450</u>	<u>10,398</u>	<u>52</u>
Total Public Works	<u>46,450</u>	<u>45,240</u>	<u>44,877</u>	<u>363</u>

BALTIMORE TOWNSHIP
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND (Continued)
For the Year Ended March 31, 2006

<u>EXPENDITURES (Continued)</u>	<u>ORIGINAL BUDGET</u>	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH AMENDED BUDGET</u>
Health and Welfare				
Green Gables			2,000	
Total Health and Welfare	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>-</u>
Other:				
Retirement			3,023	
Fringes			4,174	
Insurance and Bonds			4,849	
Total Other	<u>12,000</u>	<u>12,870</u>	<u>12,046</u>	<u>824</u>
Total Expenditures	<u>199,050</u>	<u>211,680</u>	<u>210,075</u>	<u>1,605</u>
Excess of Revenues Over Expenditures	<u>-</u>	<u>(12,630)</u>	<u>(1,965)</u>	<u>10,665</u>
Fund Balance-April 1, 2005	<u>291,636</u>	<u>291,636</u>	<u>291,636</u>	<u>-</u>
Fund Balance-March 31, 2006	<u>\$ 291,636</u>	<u>\$ 279,006</u>	<u>\$ 289,671</u>	<u>\$ 10,665</u>